



# CITY OF CONCORD

## REPORT TO MAYOR AND THE CITY COUNCIL

**FROM:** Matthew R. Walsh, Dir. of Redevelopment, Downtown Services, & Special Projects

**DATE:** August 31, 2017

**SUBJECT:** Penacook Community Center Village Street Purchase and Sale Agreement – Renewal and Extension of Agreement

### **Recommendation:**

Accept the following report and approve the attached consent resolution authorizing the City Manager to renew the Purchase and Sales Agreement with the Penacook Community Center concerning City owned property located on Village Street.

### **Background:**

The City is the owner of property located on Village Street, immediately west of #95 and #97 Village Street. This 2.2 acres parcel was acquired by the City in 1935 and previously was occupied by a city water tower. The property is currently zoned Residential Medium Density (RM), which permits a variety of residential and institutional uses, including community centers.

On May 11, 2015 the City Council approved Resolution #8842 which authorized the City Manager to enter into a Purchase and Sales Agreement to sell this property to the Penacook Community Center (PCC). The sale price for the property was \$65,200. Closing was to occur by December 1, 2016. The property was being acquired and combined with two other properties acquired by the PCC for the purpose of developing a new community center. A copy of the expired Purchase and Sales Agreement is attached.

The City entered into the P&S Agreement in May 2015. Following this action, the PCC began to move forward with its project. Those efforts include acquiring private property at 95 and 97 Village Street, as well as securing permits and approvals from the Zoning Board of Adjustment and Planning Board. PCC also completed substantial design of the new facility and selected a construction manager for the project. However, the project stalled due to 1) departure of PCC's executive director and 2) preliminary cost estimates for the project exceeded the project budget.

Over the past year, PCC has hired a new executive director and has begun to explore options for phasing their project in order to make it financially feasible. As part of this process, PCC must seek extensions to Zoning Board and Planning Board approvals in order to keep them from expiring. Should those approvals expire, the PCC would have to re-do those permitting processes in their entirety. This would result in additional permitting fees and public hearings

for the project. In addition, PCC could be required to make modifications to their approved plans in order to comply with current City development rules and regulations if they have been significantly changed since the original approvals were granted.

**Discussion:**

The purchase and sales agreement for the City's property expired on December 1, 2016. The PCC's Planning Board approvals will expire in October. The PCC cannot apply for an extension to Planning Board approvals without having the Purchase and Sales Agreement renewed as they no longer have lawful site control.

City Administration recommends that the City Council authorize the City Manager to enter into a new Purchase and Sales Agreement. The new agreement will have same price, as well as basic terms and conditions, of the expired agreement. Staff intends to grant PCC two years to close on the purchase, but will reserve the right to grant additional extensions beyond the two year deadline as City Administration may deem reasonable provided PCC can demonstrate it is making progress on its project.